

TFFR Employer Online Services Coming Soon

TFFR is happy to announce that our secure Internet application for TFFR employers – **TFFR Employer Online Services** – is in final testing and should be available for use in the coming weeks. This application replaces your use of the DPI website and allows you to electronically submit your monthly TFFR employer contribution report directly to TFFR. You can also use this site to update your TFFR employer contact information.

The security of confidential and sensitive information is very important to TFFR. Logging in to the state's secure system with your State of ND Login ID provides a secure environment in which you can conduct business with TFFR. The information you send to TFFR Employer Online Services is encrypted and a second layer of security requires you to enter your TFFR Employer Account ID and Password. Together, these features make TFFR Employer Online Services a very secure system.

Current Internet reporters will receive a letter in the coming weeks that contains your TFFR Employer Account ID and initial Password. Once you receive this letter, you should begin to use TFFR Employer Online Services to submit your monthly TFFR report. Employers on the Internet reporting waiting list will be contacted next. If you have not added your name to the Internet reporting waiting list, please consider doing so. Reporting TFFR information using TFFR Employer Online Services is secure, fast, and easy.



Report Card Highlights

Enclosed is the January issue of the TFFR Report Card member newsletter. A few highlights include:

- Impact of recent financial market volatility on TFFR
- 2008 actuarial report results
- Summary of proposed 2009 legislation affecting TFFR
- Annual statewide pre-retirement seminar schedule

Substitute Teachers

In general, substitute teachers are not reportable to TFFR since they are not contracted teachers. Substitute teachers are reportable if:

- The teacher (including a re-employed retired teacher) is under a contract or written agreement to perform substitute teaching services.
- The teacher (including a re-employed retired teacher) is already under a work agreement (full time or time certain) to perform teaching or extra-curricular services and, while under this agreement, performs substitute teaching (in-staff subbing.) If the teacher performs non-contracted substitute teaching outside of a time certain contract, the substitute teaching is not reportable.

Example: A teacher (including a re-employed retired teacher) is under a time certain contract from September through November. Any substitute teaching performed during September through November would be reportable to TFFR (in-staff subbing). However, any substitute teaching performed after the time certain contract would not be reportable salary.

Contracted substitute teaching, including in-staff subbing, performed by a re-employed retired member is reportable to TFFR. Employer contributions are due on the substitute teaching salary and the hours are included in the retiree annual hour limit.

Example: Retiree is re-employed under the General Rule by School A for 9 months and also does non-contracted substitute teaching with School B. The retiree can teach and do in-staff subbing in School A (not to exceed 700 hours) and can do unlimited subbing in School B. School A pays employer contributions on all the re-employed retiree's salary and is required to submit a TFFR Retired Member Employment Notification form. School B does not pay employer contributions and does not submit the return to work form.

Employer Service Purchase

An employer may elect to purchase up to three years of service credit on behalf of an active TFFR member under certain conditions. The conditions are outlined on page 37 and 38 of your Employer Guide or can be found on the back of the Employer Service Purchase form. The Guide and form can be obtained from our website at www.nd.gov/rio.

The employer must develop written guidelines to determine which employees are eligible to receive an employer service credit purchase. In developing guidelines, the employer must comply with applicable state and federal laws, including the federal Age Discrimination in Employment Act (ADEA). Employers should work with legal counsel in developing appropriate policies to ensure legal compliance.

TFFR is not itself a party to the agreement between the employer and the member. In general, TFFR will provide the purchase cost amount to the employer and, if the service credit is purchased, will credit the service to the member. At retirement, the member's benefits will be calculated using all years of service credit (earned and purchased).

Employer Summary Report

Enclosed is your Employer Summary Report for the quarter-ending December 31, 2008. Please review the information for accuracy and verify that you have not overlooked reporting any active members or returning retirees. The retirees will be included with the active members in alphabetical order.

Please contact Shelly or Durene to discuss steps to correct any oversights.

Tax Treatment of TFFR Contributions

The following information relates to the accurate reporting of salary deferrals on the employee's W-2 form.

TFFR is a 401(a) defined benefit plan and member contributions are mandatory, not elective. Under all models, the amount of TFFR contributions withheld or paid by the district is not required on the W-2 form. However, if the district wishes to place this information on the W-2, it belongs in Box 14.

2008 Annual Financial Report Available

The Retirement and Investment Office (RIO) Comprehensive Annual Financial Report (CAFR) may be viewed from our website, www.nd.gov/rio, or a copy may be requested by contacting the administrative office. This report is a complete review of the financial, investment, and actuarial conditions of the State Investment Board and the Teachers' Fund for Retirement.

